

D.P.U. 94-81-D

Application of Massachusetts Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1995 (July 1, 1994 through June 30, 1995). Massachusetts Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

APPEARANCE: Thomas G. Robinson, Esq.
New England Power Service Company
25 Research Drive
Westborough, Massachusetts 01582
FOR: MASSACHUSETTS ELECTRIC COMPANY
Petitioner

I. INTRODUCTION

On May 12, 1994, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., Massachusetts Electric Company ("MECo" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.19 per monthly bill for the residential energy conservation services ("ECS") program for the fiscal year July 1, 1994 through June 30, 1995 ("FY 1995"). On June 3, 1994, due to a revision in the Mass-Save, Inc. ("MSI") budget numbers for FY 1995, MECo submitted a revised calculation of its proposed ECS surcharge. As revised, the Company's proposed ECS surcharge is \$0.18 per bill per month. MECo is a member utility of MSI, which provides ECS to the Company's customers on behalf of MECo. The petition was docketed as D.P.U. 94-81-D.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on June 3, 1994. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of two witnesses: Lata Banavali, associate rate analyst, and Laura McNaughton, manager of residential marketing, both of New England Power Service Company.¹ The Company submitted three exhibits and responded to

¹ New England Power Service Company provides management services to MECo, including the development and filing of the Company's annual ECS surcharge proposal.

one record request, all of which were admitted into evidence.

II. ECS SURCHARGE

For FY 1995, the Company proposed an ECS surcharge of \$0.18 per bill per month (Exh. M-3). The proposed ECS surcharge is the same as the ECS surcharge approved by the Department in Massachusetts Electric Company, D.P.U. 93-91G (1993) for the fiscal year July 1, 1993 through June 30, 1994 (Tr. at 7).

The Company indicated that its share of MSI's proposed FY 1995 ECS program budget, approved by the Department in Mass-Save, Inc., D.P.U. 94-81 (1994), is \$2,062,514 (Exh. M-3). In addition to the projected ECS program expenditures, the Company provided documentation which reconciled undercollections and overcollections from prior fiscal years (id.). The net effect of these reconciling items is an undercollection of \$349,912 for FY 1994, and an overcollection of \$356,393 for prior fiscal years (id.). The result is a net amount to be collected in FY 1995 of \$2,056,033 (id.). The proposed ECS surcharge of \$0.18 per bill is calculated by dividing the total number of bills expected to be rendered during FY 1995 by the net amount to be collected (id.).

III. FINDINGS

Based on the foregoing, the Department finds:

1. that the proposed FY 1995 ECS program budget, budget
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reconciliations, and proposed FY 1995 surcharge, are reasonable;
and

2. that the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1994 through June 30, 1995 shall be \$0.18 per bill per month.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1994 through June 30, 1995 shall be \$0.18 per bill per month; and it is

FURTHER ORDERED: That the Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1995.

By Order of the Department,

Kenneth Gordon, Chairman

Barbara Kates-Garnick, Commissioner

Commissioner

Mary Clark Webster,

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).